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(195/49) Department.

Mc SERIES.

G.O. No.

5270

31.10.1949.

Dated

[Despatch Abstract.]

Coop Societies — Land Mortgage Banks — Advances & Repayment of loans — Liberalisation of Govt policy

GOVERNMENT OF MADRAS.
ABSTRACT.

COOPERATIVE Societies - Land Mortgage Banks -Malabar and South Kanara districts- Grant of loans - Liberalisation- Registrar's proposals - Orders passed.

Development Department.

G.O.Ms.No.5270. Dated 31st October 1949.
Read the following:-

(1) Letter from the Registrar of Cooperative Societies No.2113/42 J, dated 20.1.1949.
(2) Letter from the Registrar of Cooperative Societies No.2113/42,J, dated 17.7.1949.
(3) Letter from the Registrar of Cooperative Societies No.Rc.2113/42J, dated 18.10.1949.

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O R D E R:

The primary land mortgage banks in the districts of Malabar and South Kanara have represented that the maximum limit for loans may be enhanced and brought on a par with the limit obtaining in other districts and that lands coming under certain tenures may also be accepted as security by for loans issued by these banks. A Committee was appointed by the Madras Cooperative Central Land Mortgage Bank Ltd., to go into the question. The Committee made certain recommendations and these were discussed by the Vice-President of the Bank and the Registrar of Cooperative Societies with the representatives of the primary land mortgage banks in the two districts. As a result of the discussions, the Registrar communicated nine conclusions to the Board of Directors of the Central Land Mortgage Bank for its views. At its meeting held on 29-5-1949, the Board of Directors passed a resolution embodying its views. The Registrar has now forwarded the conclusions as modified by the Board for the approval of the Government. The Government have carefully considered these conclusions and porceed to pass the following orders on them:-

2.Conclusion No.1: At present, the maximum loan advanced in the Malabar district is 35% of the value of the Jenmam lands. It is proposed to increase this limit from 35% to 50%. The Government accept the proposal.

3. Conclusion No.2: Of the two classes of kanoms in Malabar viz., renewable kanoms and non-renewable kanoms, the Central Land Mortgage Bank is now lending only on the security of renewable kanoms. The Malabar Land Mortgage Banks Committee, 1937, recommended that loans might be issued on the security of advances made by Kanomdars to Jenmis and the cost of improvements upto a limit of 35 per cent of the advances made and the cost of improvements. It is now proposed to lend upto 50 per cent of the Kanarthams and the value of improvements effected on both renewable and non-renewable kanoms. The Board of Directors of the Central Land Mortgage Bank and the Registrar have agreed to the proposal . The Government also accept it.

4.Conclusion No.3: The proposal is that the limit of loans which may be issued on the security of Kulikanoms in Malabar may be raised from 35 per cent to 50 per cent of the value of improvements effected by the Kanomdars viz., wells, trees and irrigational improvements and that the houses on these lands may also be taken into account for the purpose of valuing them. The Board of Directors of the Central Land Mortgage Bank and the Registrar have agreed to this proposal and it is accepted by the Government.

5. Conclusion No.4: The Central Land Mortgage Bank has been issuing loans on the security of Customary Verum Pattam in Malabar upto 35 per cent of the value of improvements.

The Board of Directors of the Central Land Mortgage Bank and the Registrar recommend that this limit may be increased to 50 per cent. The Government accept the recommendation.

6. Conclusion No.5:- It is proposed that loans may be advanced on Ottis in the Malabar district upto 50 per cent of the value of improvements and of the advances, made to the land holder. The Board of Directors of the Central Land Mortgage Bank has resolved that loans need not be sanctioned on the mortgage of Ottis. The Government agree with this view.

7. Conclusion No.6:- In the South Kanara district, loans are being issued to Warghadars who have title but have leased the land on Vaidageni tenure without transferring occupancy rights provided the Vaida yet to run is 5 years or less. The representatives of the primary land mortgage banks in the district want that this restriction of the period should be removed. They also desire that loans should be given to Warghadars who have title but who have leased the lands with possession to Mulgenidars by capitalising the Mulgeni rent for 20 years and by advancing 50 per cent of such capitalised rent as loans. The Board of Directors of the Central Land Mortgage Bank and the Registrar, however, consider that no change is necessary. The Government agree with them.

8. Conclusion No.7:- Viniyogam land is land charged for payment of an annuity to a temple or a widow/ other person. /or The proposal is that loans upto 50 per cent of the value of such lands in the South Kanara district may be advanced, provided that the capitalised value of the charge for 20 years is paid to the primary land mortgage banks concerned in advance of the disbursement of the loans. The Board of Directors of the Central Land Mortgage Bank has agreed to the proposal and has suggested the following amendment to model bylaw 43 of the bylaws relating to primary land mortgage banks:-

"Property subject to periodical petty charges for Devata Viniyogams or maintenance shall for the purpose of this by-law be deemed to be free from encumbrance, if the capitalised value of such charge payable during the entire period of the loan is deposited in the bank".
The Government accept the proposal and the amendment suggested to model bylaw 43.

9. Conclusion No.8: The Mangalore Land Mortgage Bank has represented that loans may be advanced on the security of garden lands and houses in municipal areas. The Board of Directors of the Central Land Mortgage Bank and the Registrar consider that loans should be restricted to agricultural lands, in municipal areas and that houses may be taken as collateral security. The Government accept this view.

10. Conclusion No.9: The Government agree that no change is called for in regard to the non-issue of loans to Changenidars and Vaidaganidars and the limit of 50% of the value of the land now adopted for the grant of loans on Mulgeni Kanom. As regards the grant of loans to Aliyasanthana families, the Central Land Mortgage Bank has been insisting that all members of such families should invariably join in the execution of the mortgage bonds. The Mangalore Land Mortgage Bank has represented that this condition has stood in the way of issuing loans to big families and has suggested that legislation be passed to enable land mortgage banks to grant loans to managers of Aliyasanthana families with or without the joinder of the junior members of the families for repayment of their antecedent debts or for purposes of effecting improvements to their lands. The Board of Directors of the Central Land Mortgage Bank is of opinion that the joinder of all the members of the joint family will be valuable proof of 'Kutumba' necessity but that individual cases where some members cannot join in the execution of mortgage bonds on account of special

difficulties may be considered on their merits. The Registrar agrees with this view. The Government accept the proposal to issue loans to Aliyasanthana families with or without the joinder of all the members, each case being considered on its merits.

(By Order of etc.)

(Sd.) x x x,
Secretary to Government.

To the Registrar of Cooperative Societies.
To the Accountant-General through the Finance Department

/True copy/

R Thiagarajan
Superintendent,
Madras Record Office,
Madras.

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